

Top Secret

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NATIONAL INTELLIGENCE DAILY CABLE

Thursday 19 January 1978

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NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions

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National Intelligence Daily Cable for Thursday, 19 January 1978

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The NID Cable is for the purpose of informing senior US officials.

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EGYPT-ISRAEL: Sadat Recalls Kamil

25X1 [] Egyptian President Sadat's recall yesterday of Foreign Minister Kamil from the political talks in Jerusalem underscores his frustration with the slow pace of peace negotiations and is part of his effort to increase pressure on Israel to alter its approach. Sadat also called an extraordinary session of the People's Assembly for Saturday; in the past he has used this forum to make dramatic announcements.

25X1 [] Sadat vowed in a recent interview to resign if peace talks became deadlocked, but the official statement announcing Kamil's recall gave no hint that this was in the works. The Egyptian President's tactics have left Israeli leaders stunned. The Israeli cabinet held a special session last night and issued a statement sharply criticizing Sadat's move.

25X1 [] Recent pressure tactics through public statements by both sides had provided a shaky start for the political talks. Egyptian unhappiness with Israel's approach has been clear for some time, but it is unlikely that Sadat has given up totally on negotiations. Press reports from Cairo assert that he has agreed to resume talks on Saturday in the separate military committee, which deals essentially with bilateral concerns in the Sinai. Prime Minister Begin announced after last night's cabinet meeting that Israel would "consider" resumption of the military talks.

25X1 [] Egypt's statement yesterday on the recall of Kamil charged Israel with presenting partial solutions and asserted that Egypt will no longer haggle over peripheral aspects of the Arab-Israeli problem. It emphasized that negotiations must center on Israeli withdrawal from the occupied territories and on the Palestinian right of self-determination.

25X1 [] This same frustration with Israel's approach was apparent in recent public statements by Sadat and in the Egyptian media's treatment of negotiations. In an interview with the authoritative Cairo magazine *October* last weekend, Sadat expressed doubt that the talks in Jerusalem would produce the comprehensive declaration of principles he wants, and he said "that is why we will adopt another stand."

25X1 [] In an interview with the *Jerusalem Post*, also released last weekend, Sadat appeared to appeal directly to the

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Israeli population to focus on the principles involved in his peace initiative rather than engage in haggling over details. He clearly believes that protracted negotiations will worsen his political position at home and in the Arab world.

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[] The tone of both interviews and of the recall statement was somber and suggested disillusionment. Sadat seems particularly angry and frustrated with Israeli bargaining over retention of settlements and airfields in the Sinai, which he regards as poor substitutes for the security guarantees he has offered Israel. Israel, said Sadat, must choose between land and peace; it cannot have both.

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[] If Sadat is hoping to jolt the Israeli public and its leaders into rethinking their views, his moves are likely to have the opposite effect, at least initially. Israeli opposition leaders are almost certain to criticize Begin for handling the political talks badly, but many Israelis are likely to regard Sadat's latest surprise as part of a calculated "war of nerves" and as a tactical device to bring world opinion to bear on Israel to make further concessions.

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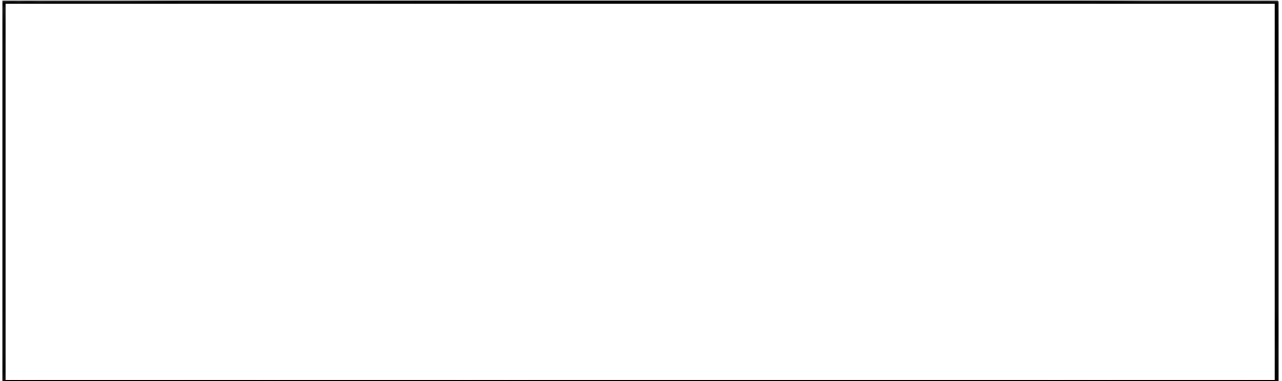
[] Sadat's implicit threat to break off his peace initiative, therefore, could well lead to a hardening of the Israeli position. Although Israeli leaders may fear that prospects for a settlement with Egypt are slipping away, they are likely to be more immediately concerned about countering Sadat's efforts to portray Israeli "haggling" as jeopardizing hopes for peace.

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ALGERIA: Boumediene's Travels

During his recent visits to eastern Arab capitals and Moscow, Algerian President Boumediene obtained little additional support for the hard-line Arabs' view of Middle East developments.

Damascus and Baghdad remain unwilling to abandon divergent views on peace negotiations.

There is no evidence that the Algerian leader won over any Arab moderates to his position of opposing President Sadat's peace initiative. Talk of an Arab summit has also ceased. The reception Boumediene received throughout his journey nonetheless demonstrated once again that his views on important Arab issues cannot be easily ignored.

In Moscow, the Soviets and Boumediene papered over their differences on Middle East issues. The final communique made no mention of Geneva talks, but the reference to a just and lasting settlement with the participation of the Palestine Liberation Organization enables the Soviets to assert that they have not forsaken a Middle East peace conference. Egypt was criticized for its "splitist actions," but Sadat was not mentioned and Moscow did not give its blessing to the anti-Sadat meeting in Tripoli last month.



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[redacted] In a speech this week to members of the ruling Baath Party, Iraqi strongman Saddam Husayn seemed to be warning Syria that Iraq's willingness to make concessions for the purpose of reconciliation should not be interpreted as flexibility on the issue of negotiations with Israel. His ability to move ahead on reconciliation talks with Syria is limited by the institutional and ideological prejudices of the Baath Party.

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[redacted] Saddam Husayn is orchestrating a campaign, however, to counter Baathist antipathy toward "renegade" Syria and to solicit support for his gestures to President Asad. The Iraqi leader has hinted in recent speeches to party groups at the possibility that Iraq will take part in a new "steadfastness" front with other Arabs opposed to Sadat; he has sought to calm party concern by demanding the inclusion of anti-Asad Syrian exiles in a unified pan-Arab Baathist structure. [redacted]

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BOLIVIA: Political Demonstrations

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[redacted] Mounting political and military pressures may have weakened Bolivian President Banzer's determination to hold an election next July, notwithstanding his public reiteration Tuesday night to proceed with plans to return to constitutional rule. The government's heavy-handed response to recent widespread nonviolent demonstrations reflects its frustration over how to resolve the first serious challenge to its authority since plans to hold an election this July were announced late last year and the ban on political activity was lifted. Complicating Banzer's decision is the failure of the official presidential candidate, former Minister of Interior Juan Pereda Asbun, to attract important military support.

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[redacted] Government security forces on Tuesday attempted to end a 20-day-old hunger strike by arresting several hundred persons in several major cities. The strikers, who now number over 1,200, are demanding a general political amnesty and the restoration of free labor unions. The politically important tin miners and university students have lent their support to the strikers.

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25X1 [] Banzer's announcement on Tuesday evening of a "general political amnesty"--one that apparently will leave exiles subject to criminal prosecution when they return--has not yet been accepted by the strikers.

25X1 [] //The government, obviously concerned by growing momentum and support of the strike, has labeled the unrest as "subversive." []

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25X1 [] //Military opposition to Banzer's political plans meanwhile is intensifying. Several high-ranking officers, including a former cabinet minister []

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25X1 [] issued an open letter last week, calling for a coalition of military and political groups to oppose Pereda's candidacy. The Army, which comprises the bulk of Bolivia's armed forces, is strongly opposed to Pereda, primarily because he is an Air Force officer. Pereda has the support of key civilians in several large cities.//

25X1 [] //Banzer, the longest reigning Bolivian president in generations, has a strong interest in overseeing a transition to constitutional government. Sensitive to his historical role, he wants to be remembered as restoring stability and political legitimacy to the country, but the reemergence of political unrest may change his timing. In addition, Banzer may have to reassert his authority to thwart potential coup plotters trying to take advantage of the uncertain situation.// []

ETHIOPIA: Reaction to US Statement

25X1 [] Ethiopia has reacted strongly to President Carter's recent statements on the Horn of Africa. It has accused the President of deliberately distorting the conflict in the Horn to the detriment of Ethiopia's interests and alleged that the US is working to support Somali aggression. []

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[] In response to the President's press conference of last Thursday, the Ethiopian Foreign Ministry issued a statement charging that the US Government pushed Somalia to invade Ethiopia, that the US intends to supply arms to Somalia, and that the President's remarks were part of a coordinated plot worked out with Iran and Saudi Arabia. On Monday, Major Berhanu Bayeh, the member of the Ethiopian ruling council who handles foreign affairs, underscored the Foreign Ministry's position that relations between Ethiopia and the US could be harmed by US actions.

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[] The Ethiopian statements may be designed to provoke a further deterioration in US-Ethiopian relations. The statements follow a sharp response by the USSR to President Carter's comments last week on events in the Horn. In a *Pravda* commentary on 13 January, the Soviets criticized the President by name for the first time in months.

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BRIEFS

Portugal

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[] Portuguese President Eanes last night endorsed caretaker Prime Minister Soares' plans to form a new Socialist-led government that would include the conservative Center Democrats. An official statement noted that before formally appointing Soares as Prime Minister, Eanes would have to follow the constitutional requirement of consulting with the 19-member military Revolutionary Council and with the leaders of parties represented in parliament.

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